

84TH
ANNUAL
REPORT

1941

*THE BORDEN COMPANY
AND SUBSIDIARY COMPANIES*

•

RESEARCH • CONTROL

BOARD OF DIRECTORS

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Chairman of the Board
New York

HAROLD W. COMFORT
Vice-President
New York

LESTER LE FEBER
Milwaukee

THOMAS I. PARKINSON
President, The Equitable Life
Assurance Society of the United States
New York

L. MANUEL HENDLER
South Eastern Ice Cream Division
Baltimore

MADISON H. LEWIS
Pioneer Ice Cream Division
New York

BEVERLEY R. ROBINSON
Milbank, Tweed & Hope
New York

AUSTIN S. IGLEHEART
Executive Vice-President
General Foods Corporation
New York

THEODORE G. MONTAGUE
President
New York

HARRY A. ROSS
Vice-President
New York

ROBCLIFF V. JONES
Vice-President
New York

MARCUS M. MUNSILL
New York

GEORGE M. WAUGH, JR.
Executive Vice-President
New York

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Chairman

THEODORE G. MONTAGUE
President

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THEODORE D. WAIBEL, *Assistant Secretary*

EXECUTIVE OFFICES

350 Madison Avenue, New York City

REGISTERED OFFICE

15 Exchange Place, Jersey City, N. J.

TRANSFER AND DIVIDEND DISBURSING AGENT

THE CHASE NATIONAL BANK OF THE
CITY OF NEW YORK
11 Broad Street, New York City

REGISTRAR

BANKERS TRUST COMPANY
16 Wall Street, New York City

COUNSEL

MILBANK, TWEED & HOPE
15 Broad Street, New York City

AUDITORS

HASKINS & SELLS
22 East 40th Street, New York City



To Stockholders and Employees

THE attack upon the United States at Pearl Harbor in December imposed upon all of us, stockholders and employees alike, new responsibilities, new and greater obligations. The formal declaration of war was the spontaneous expression of a united and determined people. As adherents to the cause of representative democracy, individual freedom, and free enterprise, we must now by our actions give concrete evidence of our faith.

We must be ready and willing to make great sacrifices and give freely of our time, our energies, and our resources to support our decision. These resources are enormous, and our industrial plant and skilled workers unequalled by any other nation. These are being transformed from peace-time activities to the production of war material. The job is prodigious, but America surprised the world in 1918 and will do so again.

Your Company's part in this transition is not a spectacular one, but it is vital. We do not make airplanes, bombs, guns or other implements of war, but we are playing our part by bringing vital food products to both the armed

forces and their civilian allies. We are finding substitute materials to carry on an essential industry. We are finding ways to conserve rubber, paper, scrap metal, gasoline and many other items, and at the same time greatly increase our production of needed foods for the armed forces and the Lend-Lease program.

In concentrating our efforts on the problems of today, we are not unmindful of the future. Your Company, like many other representative American corporations, is intensifying its research and extending its diversification, thus making available new products, new services and new activities to help maintain employment when the war is won, and the transition from war production to peace-time activity begins.

The Borden organization has an enviable record dating back many years. It has served in both peace and war, and in presenting our 1941 report, I can say with confidence that the entire organization will redouble its efforts to help preserve our nation and its economy in the critical days ahead.

SALES

Sales of \$259,128,514 for 1941 compared with \$216,795,850 for 1940. This represents an increase of 19.5%.

Most of the Divisions of the Company contributed to this increase by better sales performance. There was not, however, a comparable increase in profits by all of them, and earnings in the Fluid Milk Division continued to be particularly unsatisfactory, especially in the larger centers such as New York and Chicago.

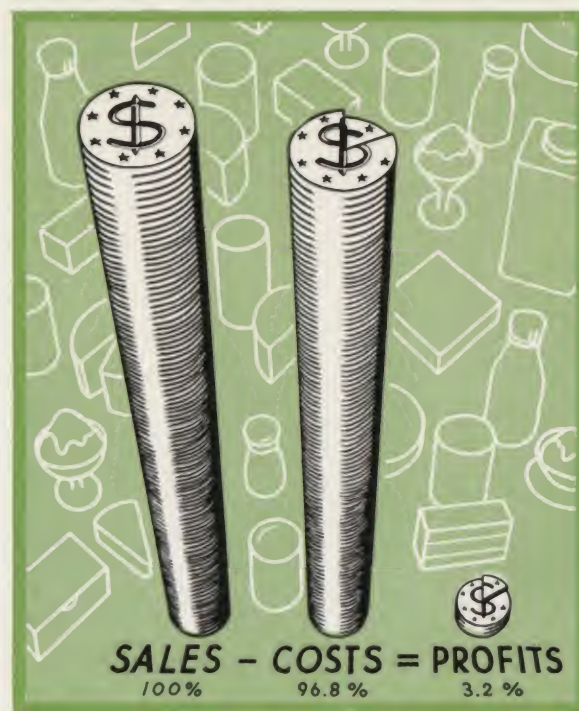
The improvement in sales can be ascribed to the general acceleration in business activity, to increased sales of new products, to somewhat higher prices and to our direct participation in the defense effort. Large quantities of dairy products were required by the Federal Government for the Army and Navy and for the Lend-Lease program. The Company has energetically employed its facilities to produce evaporated milk, powdered milk, cheese and other products to meet the requirements of governmental agencies.

Continued diversification of products has had constant attention in recent years. The results of the addition of new products and the more intensive promotion of the older ones are now being satisfactorily reflected in sales and profits derived from operations other than fluid milk. In addition, the Company has been following a policy of judicious acquisition of desirable businesses where their activities can be efficiently and profitably coordinated or merged with established Borden units.

Expansion of other activities has resulted in a considerable decrease in the relative importance of the operation of the Fluid Milk Division. This continued emphasis on diversification, both productwise and geographical, has placed the Company in a much more favorable position, and has lessened its dependence on any one particular activity.

Originally, sweetened condensed milk, used principally as a baby food, served as the foundation for Borden business and later fluid milk was most important. In recent years consumption of sweetened condensed milk has been declining, due primarily to new methods

of infant feeding, and profitable fluid milk operations in the larger cities have been increasingly difficult for some years past. Despite this unfavorable experience in condensed milk and in the larger fluid milk markets, the Company's sales and profits as a whole have not only been maintained, but their trend seems upward.



NET INCOME AND DIVIDENDS

Total Net Income for 1941 was \$8,270,572. This is equivalent to 3.2% return on sales, and represents \$1.88 per share of capital stock outstanding. Last year the Company earned \$7,582,617, equivalent to 3.5% of sales and \$1.72 per share.

During the year 1941, \$1,500,000 was set aside in a Special Contingency Reserve. This charge against income, continuing the Company's conservative policy, was deemed necessary, in view of disturbed economic conditions, to provide for possible future losses which cannot now be foreseen or avoided.

Net Income includes all earnings from foreign operations (principally in Canada) converted to their U. S. dollar equivalent at rates

of exchange prevailing during the months in 1941 when earned, or when remittances were received. As in 1940, all exchange variations on remittances have been absorbed in Net Income to the extent not provided for by the discounting of current foreign earnings. Remittances from foreign operations in 1941 exceeded earnings in foreign countries by \$13,607.

Dividends aggregating \$1.40 per share were paid in 1941 as follows: 30¢ each on March 3, June 2 and September 2, and 50¢ on December 20. This was the same total rate as was paid in 1940. The dividend in December 1941 was the 127th in the series of continuous payments which have been made to stockholders during every year for the past 43 years.

NET WORKING CAPITAL

At the close of the year Current Assets amounted to \$71,595,776 and Current Liabilities were \$20,902,424, resulting in Net Working Capital of \$50,693,352. The ratio of Current Assets with which to pay Current Liabilities was therefore \$3.43 to \$1.00. This compares with a ratio of \$3.63 to \$1.00 at December 31, 1940 when Net Working Capital was \$40,042,147.

During the year 1941, in order to provide additional working capital, your Board of Directors considered it advisable to borrow \$12,000,000. Notes were issued in serial form to three institutions at par. The rate of interest was 2% with \$501,000 of principal maturing annually over a ten year period with the balance due in 1951. The Company reserved the right of further redemption in whole or part at any time, thus affording great flexibility.

The need for additional funds was required principally to carry inventories, which aggregated \$28,695,549 at December 31, 1941 as compared with \$17,895,422 at the close of 1940, an increase of \$10,800,127. This increase resulted in part from higher prices, and in part from greater quantities needed, not only to provide for our regular business, but also to meet the much greater requirements of our own military and naval forces and for the fulfillment of our Government's Lend-Lease program.



The "last-in, first-out basis" of inventory valuation, adopted for several important products during the years 1939 and 1940 as explained in the annual reports for those years, was extended during 1941 to several other products. If this further change from "average cost basis" to "last-in, first-out basis" had not been made in 1941, the Company's Net Income for that year would have been about \$410,000 greater. Your Company will continue to follow a conservative policy of inventory valuation.

Marketable Securities include a substantial amount of United States Government securities. Defense Bonds were purchased to the limit allowed by the U. S. Treasury Department and holdings of Canadian Government securities are about 30% greater than last year. Marketable Securities at December 31, 1941 are shown in the balance sheet at their market value of \$4,489,075, which is \$16,802 less than their cost.

TAXES

Taxes of every nature for 1941 (including Social Security Taxes of \$1,698,250) amounted to \$8,593,518 or \$1.95 per share. Due to the small margin of profit on sales and the low rate of return on invested capital, no provision was required for excess profits taxes.

Income tax rates in the United States and Canada have materially increased. However, the provision for income taxes for 1941 was less than it might otherwise have been, as it comprehends the effect of expenditures charged against reserves previously created and the effect of substantial losses from the disposal of properties unessential to the Company's operations. The Federal income tax laws generally provide that losses of this nature may be deducted only in the taxable year of actual disposal, irrespective of the year in which the Company may have provided for the loss. Substantially all losses of this nature actually realized in 1941 have been previously provided for by the Company.

During the year 1942 your Company will be called upon to pay substantially larger taxes and, in anticipation thereof, operations are being charged currently with a higher rate than in 1941.

PROPERTIES

The Budget of Capital Expenditures for 1942, as approved by the Board of Directors, is \$5,899,734, which compares with the budget for 1941 of \$6,426,330. In May 1941 the Board of Directors gave authority to anticipate \$2,150,000 of the above 1942 budget due

to the difficulties experienced in obtaining prompt deliveries of equipment.

Considerable progress can be reported for the year 1941 in modernization of plant and distribution facilities. Just what effect the war will have on our large fleet of trucks and motor vehicles is not possible to anticipate at this time. Our manufacturing plants are in good condition, but in many instances their equipment will be heavily pressed to produce the vast additional quantities of dairy products that are required.

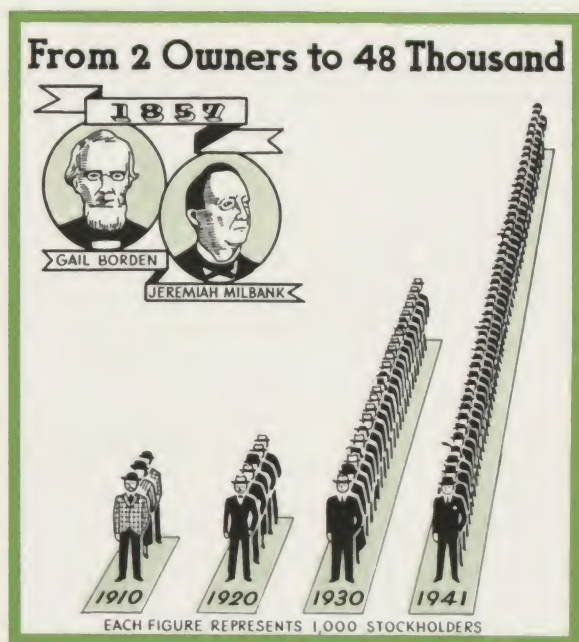
Machinery, trucks and refrigerator cabinets for the ice cream division will be increasingly difficult to obtain, and the Company is co-operating wholeheartedly with the priority officials in their efforts to curtail civilian and industrial use of critical materials. Every effort will be made to repair existing equipment, even though efficiency may decline, so that our use of vital metals will be kept to a minimum.

TOTAL ASSETS

Total Assets at December 31, 1941 amounted to \$145,085,631 as compared with \$126,319,214 at December 31, 1940.

Assets in foreign countries (principally Canada) after depreciation and exclusive of Current Assets, on December 31, 1941 amounted





to \$5,605,841 as compared with \$5,753,715 on December 31, 1940. These assets are included at parities of the foreign currencies which generally reflect their U. S. dollar value at the time when such assets were acquired or constructed. This represents 7.6% of the Total Assets, other than Current Assets, on December 31, 1941. No substantial additions (other than necessary current replacements) were made during 1941 to plants in foreign countries. The value of assets in the Far East, including the entire investment in our plant in Shanghai for drying and freezing eggs, has been written off and is not included in the foregoing figure.

CAPITAL STOCK

There was no change in either the total authorized or outstanding shares of Capital Stock at the end of the year, and except for the \$12,000,000 of 2% notes, the capital structure continues without any outstanding securities senior to the Common Stock of The Borden Company.

The 4,396,704 shares of Capital Stock outstanding December 31, 1941 were held by 48,635 stockholders with an average holding of 90 shares, which compare with 47,396 stockholders with an average holding of 93 shares of the stock outstanding on December 31, 1940.

ICE CREAM DIVISION

Favorable weather conditions, increased purchasing power of the public generally and the efforts of a resourceful organization resulted in a splendid year for the Ice Cream Division from the standpoint of sales. In fact, an all time high in volume was achieved.

Increased costs of all kinds prevented a corresponding increase in earnings. Due to the capacity and excellent condition of our ice cream manufacturing and distribution facilities the additional sales volume was handled without any extraordinary expenditures for capital items.

There were several acquisitions made during the year in territories adjacent to established operations and also in territories already served where the new businesses were merged with existing plant and distribution systems.

The impact of a war economy in 1942 will undoubtedly have some unfavorable effect on the Ice Cream Division. Replacements of equipment will be difficult, and rationing of some materials is inevitable—sugar already being on this basis. However, as ice cream is a necessary dairy food with increasing year-round demand, it will undoubtedly receive its proper recognition from priority and allocation authorities.



FLUID MILK DIVISION

In the smaller communities sales have maintained a satisfactory level, and in many instances showed improvement. Progress was made in achieving greater efficiency of operations. Because of the higher prices paid to farmers, higher costs and increased wages to employees, the selling price of milk has increased somewhat in most markets.

As we have often pointed out, the operating margins in the distribution of fluid milk are so small that increased payments to either farmer or labor must of necessity be reflected in increased selling prices.

While it has been inevitable that the price of milk should increase, figures published by the United States Department of Labor show that during the year 1941 the retail price of fluid milk did not increase nearly as much as many other foods.

In the larger cities, principally New York and Chicago, neither sales nor profits were satisfactory. Gradually the system of home delivery is becoming more and more expensive, due primarily to constantly increasing labor cost. This is causing customers to buy milk at stores where prices are lower, resulting largely from the lower delivery costs to the wholesale trade. Unless costs in home delivery can be kept down they may reach a point where continuance will be difficult.

The fact that lack of profits means disap-

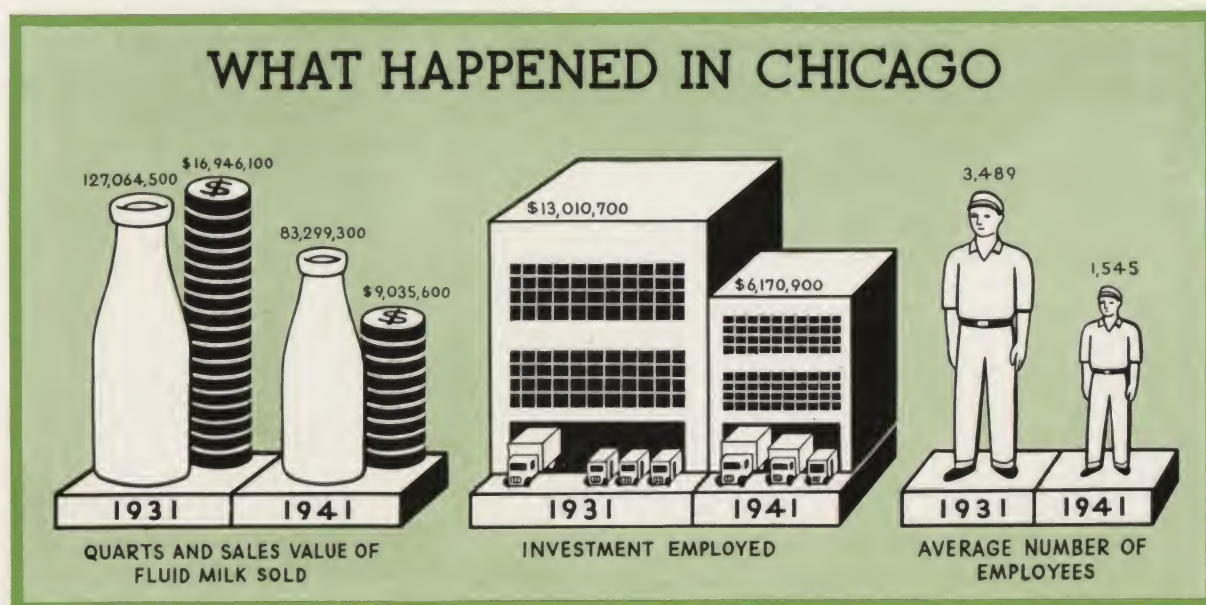
pearance of capital is demonstrated in Chicago where in 1931 our investment (exclusive of good-will) employed in the Fluid Milk Division was \$13,010,700. Today that investment has shrunk to \$6,170,900.

Our Chicago Division sold 127,064,500 quarts of fluid milk in 1931, but its sales were reduced to 83,299,300 quarts in 1941. The value of these fluid milk sales in 1931 was \$16,946,100 and in 1941 it was \$9,035,600.

Paralleling this shrinkage in investment and sales is the decrease in the average number of employees in the Chicago Fluid Milk Division from 3,489 in 1931 to 1,545 in 1941. This was due principally to the tremendous reduction in home delivery and in spite of a considerable increase in wholesale business.

The present war emergency, more than ever, imposes a duty upon all groups in the fluid milk industry,—management, labor and farmer alike. They must cooperate in making milk available to the public at reasonable prices commensurate with the service performed.

Startlingly radical changes in milk delivery everywhere may be necessitated by this war. Just what will happen is not at this writing altogether clear, but at least some curtailment of delivery service seems unavoidable. The Borden Company has been formulating plans to meet the exigencies of the situation and to provide the maximum service to our customers.





MANUFACTURED PRODUCTS

Established items such as evaporated milk, condensed milk, powdered milk, malted milk, mince meat, caramels, etc., continued to demonstrate good performance.

Among the new products introduced was Hemo, a vitamin and mineral fortified malted food product sold in one pound containers at both drug and grocery stores, and in individual service packages at soda fountains. Vitamins A, B₁, B₂ (G), and D, as well as calcium, phosphorus and iron have been added to the natural nutritive value of the product. Two servings daily provide the consumer with his minimum requirements of these important food elements. Market tests have proved its consumer acceptance and the sales territory is being widened just as rapidly as availability of ingredients and manufacturing equipment permit.

The Powdered Milk Division experienced an enormous demand for its products. While production was maintained at the highest level consistent with quality, it was frequently impossible to satisfy the requirements of Borden's regular customers and at the same time produce the additional quantities needed for the Government Lend-Lease program and for our own armed forces.

CHEESE

The activities of the Cheese Division were substantially enlarged during 1941 and volume of cheese handled reached a new peak. Much of this increased volume was due to government purchases under the Lend-Lease program. Prices paid farmers for cheese increased substantially, and while domestic consumption appears to have remained at about 1940 levels, these increased prices greatly accelerated production with the result that a very large tonnage of cheese was made available for Government use.

Sales of specialty cheeses, such as Military Brand Camembert and Brie, Liederkranz and Borden Cocktail Spreads, showed gratifying improvement.

The prospects for 1942 continue to be favorable even though a great volume of bulk cheese is handled on a very narrow margin.



EXPORT

Despite the chaotic conditions prevailing throughout the world, our export business was well maintained, particularly in South America. Some curtailment seems inevitable since the outbreak of general hostilities in the Far East will make it impossible to supply some markets. The Company's warehouse and consigned stocks at the end of 1941 in the Far East war area, while not substantial, have been written off against income, as their recovery in saleable condition seems doubtful.

We have been unable to communicate with our representatives at Shanghai, China, where we have operated a plant to freeze and dry eggs for shipment primarily to England. Consequently we do not know the extent of damage, if any, to our property which is now in Japanese hands. The book value of our entire remaining investment in Shanghai, amounting to \$320,164, has been written off against existing reserves, thus fully providing against possible total loss.

CASEIN AND ADHESIVES

The demand for casein and adhesives has been excellent during 1941. Shortages of raw materials have restricted some potential business but operations have been generally at a high level. Profits were likewise gratifying.

During 1941, the Casein Research Laboratory perfected a cold-water-proof adhesive for labeling bottles. This development gives prom-

ise of greatly widening our adhesive market. Much work has been done on new synthetic resins as well as substitutes for casein which may open up new markets for these products.

PRESCRIPTION PRODUCTS

The sales of the Prescription Products Division have increased. New products were added during 1941, the most important of which was Mull-Soy, a soy bean emulsion prescribed by many physicians for those infants who are allergic to milk protein.

SPECIAL PRODUCTS

The sales and profits of this Division again increased substantially and several new developments were undertaken. Chief of these was our entrance into the vitamin field on a substantial scale, to provide not only for our own source of supply, but to take care of our increasing sales of vitamins to other manufacturers. The Company is not planning to enter the consumer package vitamin field.

Every effort will be made in 1942 to further the development of these activities, and the outlook for both increased sales and profits is promising.

PRODUCE DIVISION

The domestic and Canadian operations in the Produce Division, although relatively small, enjoyed increased sales, but profits were approximately the same as last year.

Klim for South America



*Casein Glued Wood Girders
Save Steel*

Flaydry for Poultry





RESEARCH

A significant move in the Company's previously discussed program of product diversification was the establishment during the year of a New Products Research Laboratory in the Borden building in New York City. A small but highly trained and experienced staff of scientists will be responsible here for the development of new products for our sales divisions, regardless of whether or not the products are derived from milk. No control work or improvement of established products is contemplated for this laboratory, as that is conducted in other laboratories.

Located in the head office building, these research workers will have more effective contact with, and guidance from, the production and sales executives who will later manufacture and sell the products developed. Thus the constant search for new and profitable sales opportunities will be stimulated, and diversification directed along lines of imminent and practical benefit.

The establishment of this new laboratory intensifies new products research, and permits the other Borden laboratories to devote more of their time to control and to the improvement of existing products sold by the particular operating divisions to which they are attached.

PUBLIC RELATIONS

As previous annual reports have indicated, the Company has always been conscious of its obligation to its employees, to farmers, and to the public it serves. Over a period of years, numerous plans have been developed or adopted for the fulfillment of these obligations, with the result that its relationships with these groups have in the main been continuously cordial and mutually satisfactory.

The present state of world unrest, while it has in no respect altered the Company's conception of the ethical and practical importance of these relationships, has, nevertheless, thrown them into sharper focus. Never has a complete understanding between management and the groups to whom it is responsible been more necessary and desirable.

Understanding is based on knowledge, and the Company has in recent years materially increased its efforts to learn and interpret the viewpoints of the employee, the farmer, and the customer, and to pass on to them facts pertaining to the Company and its viewpoint.

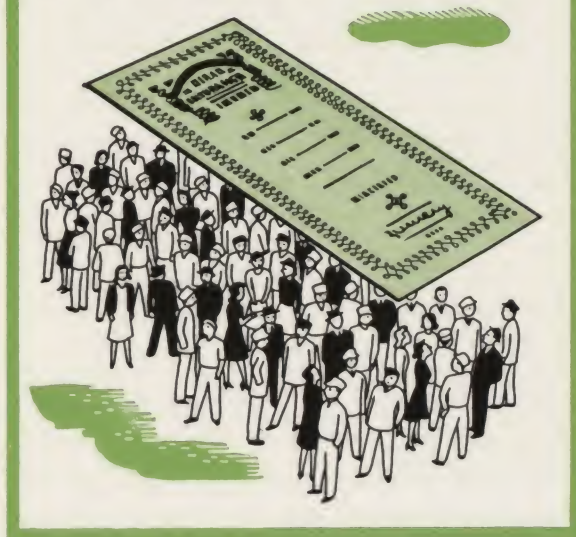
Finally, complete understanding and cooperation with the Government is an essential obligation as well as a patriotic duty. Opportunities to assist in the war effort have multiplied enormously in recent months, and all executives of the Company have been and will continue to be available for this work. At the present time a number of Borden men, including officers of the parent company and of divisional and subsidiary operations, are actively engaged, some on full time, in assisting government authorities in the solution of problems relating to the dairy industry and the war emergency.

EMPLOYEE INSURANCE BENEFITS

During 1941, the Company's group insurance plans were extended to additional groups of employees.

Group Life Insurance, the basic coverage, affording protection against death from any cause, reached an all-time peak of \$45,023,700. More than 90% of the eligible employees were insured under this plan, which means that in the event of their death, their families will

\$45,023,700 PROTECTION



receive, on the average, one year's wages, thus affording them the time to make such adjustments as may be necessary as a result of the loss of the wage earner.

Group Accident and Health and Accidental Death and Dismemberment Insurance was carried by 8,022 employees. The work of instituting this form of protection made rapid progress during the year 1941. This form of coverage provides indemnification against non-occupational injury, sickness and accidental death.

During the last policy year \$371,477 was paid out by the insurance companies to employees and their beneficiaries under these plans. This group protection is provided by the voluntary cooperation of the employees and the Company. The Company contributes to the cost and assumes all expenses incident to its administration.

Hospitalization benefits through approved Associated Hospital Plans are also enjoyed by approximately 12,000 employees.

*Submitted by Order of
the Board of Directors*

The stockholders at their annual meeting held on April 16, 1941 authorized the Company to anticipate payments to the insurance companies on account of past-service under the Employees Retirement Plan. In accordance with this authority the Company, after careful consideration of many factors, made anticipatory payments of \$2,290,000. These payments were charged to the Reserve created by stockholders in 1939.

ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting of Stockholders will be held at 10 o'clock A.M. on April 15, 1942, at the registered office of the Company, 15 Exchange Place, Jersey City, N. J., and at that meeting this report for 1941 will be presented.

FINANCIAL STATEMENTS

Financial statements for 1941 are presented on subsequent pages, together with the certificate of Haskins & Sells, Certified Public Accountants. In addition, a number of subjects are dealt with in the customary informal manner which will be of interest to stockholders, employees, customers, farmers and the general public.

* * *

The high morale and enthusiasm of the members of our organization have made possible the splendid accomplishments which have been recorded in this report. To them I express the appreciation of the Board of Directors. I wish to express, too, our pride in the 569 Borden employees who have entered the armed forces of the United States and Canada, and in those others who will follow them into the Service. I can say to them with confidence that the entire organization which remains will face the critical days ahead with an even greater sense of responsibility.

THEODORE G. MONTAGUE,
President

ACCOUNTANTS' CERTIFICATE

THE BORDEN COMPANY:

We have made an examination of the consolidated balance sheet of THE BORDEN COMPANY and subsidiary companies as of December 31, 1941, and of the related statements of consolidated net income, earned surplus, and capital surplus for the year ended that date, have reviewed the accounting procedures of the companies, and have examined their accounting records and other evidence in support of such financial statements. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all auditing procedures we considered necessary, which procedures were applied by tests to the extent we deemed appropriate in view of the systems of internal control.

In our opinion, the accompanying consolidated balance sheet and related statements of consolidated net income, earned surplus, and capital surplus, with the footnotes thereon, fairly present the financial condition of the companies at December 31, 1941, and the results of their operations for the year ended that date, in conformity with generally accepted accounting principles and practices, which, except as indicated in footnote (a), were applied by the companies on a basis consistent with that of the preceding year.

HASKINS & SELLS

New York, February 24, 1942.

CONSOLIDATED BALANCE SHEET,

ASSETS

	December 31	
	1941	1940
CURRENT ASSETS:		
Cash	\$ 20,321,433.05	\$ 20,147,813.99
Marketable Securities:		
(Including deposits with Governmental bodies under Workmen's Compensation and Milk Control Laws, etc., 1941, \$1,920,166.48; 1940, \$1,913,130.96)		
1941—at Market Value (Cost \$4,505,877.76 less Reserve \$16,802.60)	4,489,075.16	
1940—at Cost (Market Value \$4,573,782.07)		4,412,912.26
Receivables	18,089,718.40	12,794,346.53
(Including salary advances to employees—1941, \$90,847.53; 1940, \$79,753.72) less Reserve for Doubtful Accounts—1941, \$2,083,189.13; 1940, \$1,894,946.31		
Inventories—At the Lower of Cost or Market:		
Finished Goods Materials & Supplies		
1941—\$15,601,763.40 \$13,093,786.13	28,695,549.53	
1940— 10,105,903.27 7,789,518.84		17,895,422.11
Total Current Assets	\$ 71,595,776.14	\$ 55,250,494.89
MISCELLANEOUS ASSETS, less Reserves	\$ 3,209,262.17	\$ 2,908,644.44
(Including Mortgages, Other Receivables, etc.)		
PROPERTY, PLANT AND EQUIPMENT	\$122,283,570.61	\$118,385,345.50
(Principally at cost, but in part at lower valuations established by the Company)		
Less Reserves for Depreciation	52,905,559.72	51,165,017.82
(Based on above property valuations)		
Net Property, Plant and Equipment	\$ 69,378,010.89	\$ 67,220,327.68
PREPAID ITEMS, ETC.	\$ 902,581.46	\$ 939,746.89
TRADE-MARKS, PATENTS AND GOOD-WILL	\$ 1.00	\$ 1.00
TOTAL	\$145,085,631.66	\$126,319,214.90

NOTE (1) The above balance sheet does not contain any salvage values which ultimately may be realized from properties, now owned and not essential to operations, which heretofore have been written off.

NOTE (2) Net current assets in foreign countries on December 31, 1941 and 1940 (principally in Canada) have been converted at exchange rates prevailing on those dates and are included above at their U. S. dollar equivalent of \$4,412,260 at the end of 1941 and \$4,829,120 at the end of 1940. Other assets in foreign countries (also principally in Canada) aggregating \$5,605,841 at the end of 1941 and \$5,753,715 at the end of 1940, have been included at parities of the foreign currencies which generally reflect their U. S. dollar equivalent at the time of acquisition or construction.

DECEMBER 31, 1941 AND 1940

LIABILITIES

	December 31	
	1941	1940
CURRENT LIABILITIES:		
Accounts Payable	\$ 12,528,976.22	\$ 9,399,238.20
(Including current maturities of serial notes—1941, \$501,000)		
Accrued Accounts:		
Taxes (Including Income Taxes—Estimated)	5,015,567.28	2,989,065.61
Other	3,357,881.01	2,820,043.88
Total Current Liabilities	<u>\$ 20,902,424.51</u>	<u>\$ 15,208,347.69</u>
NON-CURRENT LIABILITIES:		
Notes Payable—2% Serial notes maturing \$501,000 annually		
until 1950; remainder in 1951	\$ 11,499,000.00	
Other	334,716.08	\$ 329,744.09
Total Non-Current Liabilities	<u>\$ 11,833,716.08</u>	<u>\$ 329,744.09</u>
RESERVES:		
Contingency Reserve	\$ 2,545,184.78	\$ 2,545,184.78
Special Contingency Reserve	1,500,000.00	
For purchase of Employees' Deferred Retirement		
Annuities—based on service prior to July 1, 1939	856,677.39	3,187,319.70
Insurance and Other Operating Reserves	6,562,873.49	6,174,697.61
Total Reserves	<u>\$ 11,464,735.66</u>	<u>\$ 11,907,202.09</u>
CAPITAL STOCK—THE BORDEN COMPANY:		
Common \$15.00 par (Authorized 8,000,000 shares)		
Issued 4,417,958 shares		
Less Treasury Stock 21,254 "		
Outstanding 4,396,704 "	<u>\$ 65,950,560.00</u>	<u>\$ 65,950,560.00</u>
SURPLUS:		
Capital Surplus	\$ 13,563,370.62	\$ 13,674,792.78
Earned Surplus	21,370,824.79	19,248,568.25
Total Surplus	<u>\$ 34,934,195.41</u>	<u>\$ 32,923,361.03</u>
TOTAL	<u><u>\$145,085,631.66</u></u>	<u><u>\$126,319,214.90</u></u>

STATEMENT OF CONSOLIDATED NET INCOME
For the Years Ended December 31, 1941 and 1940

	Year Ended December 31	
	1941	1940
NET SALES	\$259,128,514.71	\$216,795,850.86
COST OF SALES AND EXPENSES:		
(Including provision for depreciation of \$6,194,108.58 in 1941 and \$6,016,187.09 in 1940; provision of \$1,500,000.00 in 1941 for wartime contingencies and transition to peacetime economy; insur- ance, taxes, and all manufacturing, sell- ing, delivery, administrative and general expenses, after deducting miscellaneous operating income)	247,779,619.77	208,217,319.93
REMAINDER	\$ 11,348,894.94	\$ 8,578,530.93
OTHER INCOME (Less Charges for Interest)	464,603.76	486,420.11
TOTAL	\$ 11,813,498.70	\$ 9,064,951.04
DEDUCT:		
Federal and Other Income Taxes (Estimated)	\$ 3,491,694.92	\$ 1,434,614.34
Maintenance expenditures on properties not essential to operations (Less rental income of \$165,227.82 in 1941 and \$178,055.50 in 1940)	51,231.64	47,719.64
TOTAL	\$ 3,542,926.56	\$ 1,482,333.98
NET INCOME FOR THE YEAR	\$ 8,270,572.14	\$ 7,582,617.06
Net Income per share of capital stock outstanding at end of year	\$1.88	\$1.72

NOTE (a) In 1941 and 1940, the Company extended to additional products the method of costing out inventories on the last-in, first-out basis, a procedure first applied in 1939 to certain products. If extension of the method in 1941 and 1940 had not been made, Net Income would have been about \$410,000 greater for 1941 and about \$390,000 greater for 1940.

NOTE (b) Net income from foreign operations (principally in Canada) has been converted at exchange rates which prevailed monthly during the years 1941 and 1940, or at which remittances were received, and is included above at the U. S. dollar equivalent.

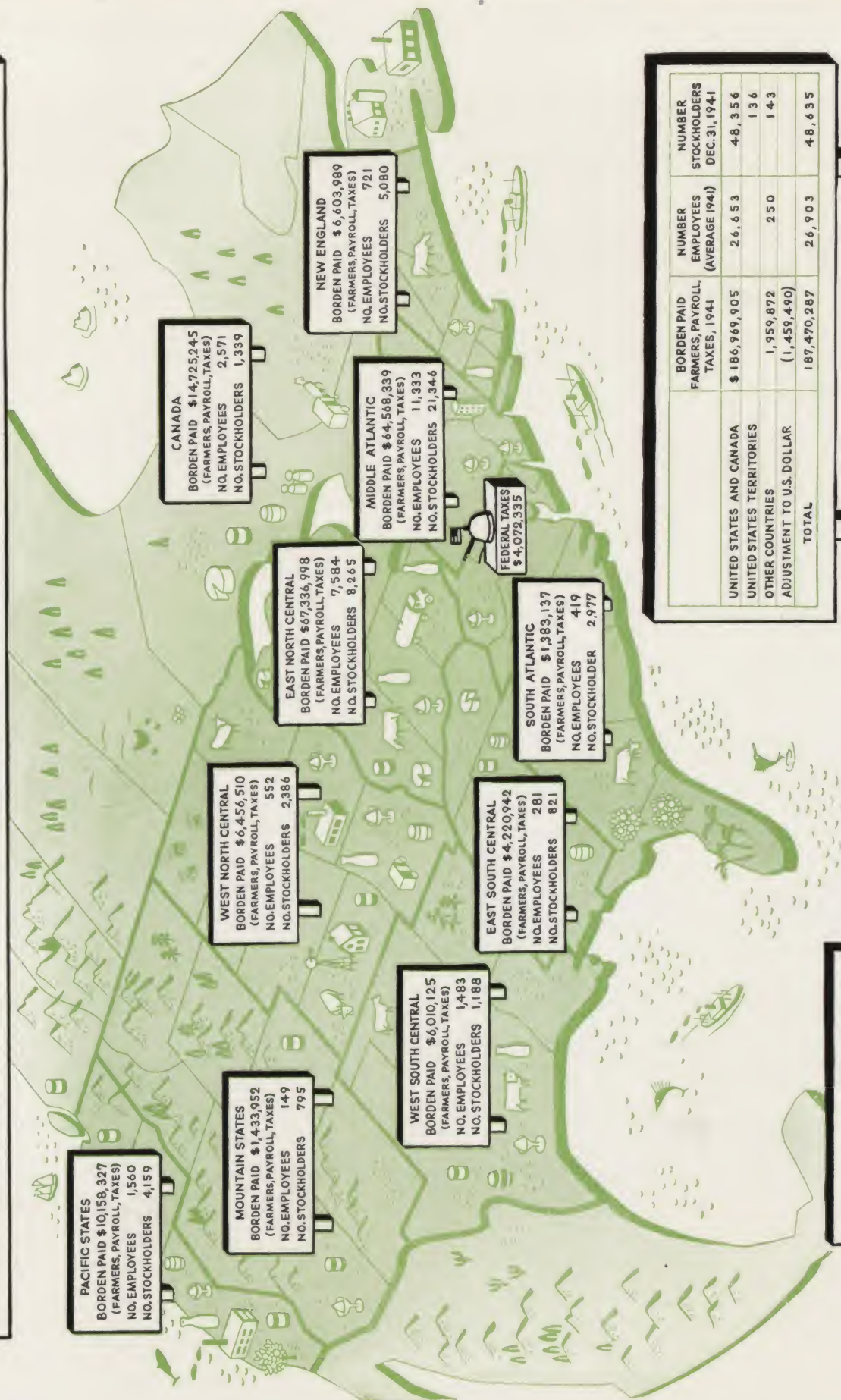
STATEMENT OF CONSOLIDATED EARNED SURPLUS
For the Years Ended December 31, 1941 and 1940

	Year Ended December 31	
	1941	1940
BALANCE AT BEGINNING OF YEAR	\$ 19,248,568.25	\$ 17,821,336.79
NET INCOME FOR THE YEAR	8,270,572.14	7,582,617.06
TOTAL	\$ 27,519,140.39	\$ 25,403,953.85
DEDUCT—Dividends Paid during the Year (\$1.40 per share in 1941 and \$1.40 in 1940.)	6,148,315.60	6,155,385.60
BALANCE AT END OF YEAR	<u>\$ 21,370,824.79</u>	<u>\$ 19,248,568.25</u>

STATEMENT OF CONSOLIDATED CAPITAL SURPLUS
For the Years Ended December 31, 1941 and 1940

	Year Ended December 31	
	1941	1940
BALANCE AT BEGINNING OF YEAR	\$ 13,674,792.78	\$ 13,883,136.47
Proceeds from disposal of unessential properties previously written off against Capital Surplus, and fair operating values ascribed to other such properties adapted to some operating use	268,887.64	107,128.17
TOTAL	\$ 13,943,680.42	\$ 13,990,264.64
Deduct—Write-off of Good-Will purchased dur- ing the year	380,309.80	315,471.86
BALANCE AT END OF YEAR	<u>\$ 13,563,370.62</u>	<u>\$ 13,674,792.78</u>

Borden — AN INTEGRAL PART OF TWO NATIONS



1941

The Distribution of Borden's 1941 Money

The money which Borden received from the sale of its products in 1941 was distributed in payments to farmers, employees and stockholders, and for taxes and miscellaneous expenditures, to communities in every State of the Union and in every Province of Canada. A very small proportion was paid out in other countries.

In a real sense Borden is a "home institution," an important factor in the individual business life of cities, towns and villages throughout most of this Continent. In large degree its operations are localized within each of these communities.

Last year the Company distributed the money it received from the sale of its products in this way:

Over seven-tenths of it went to farmers and employees living in more than half the States

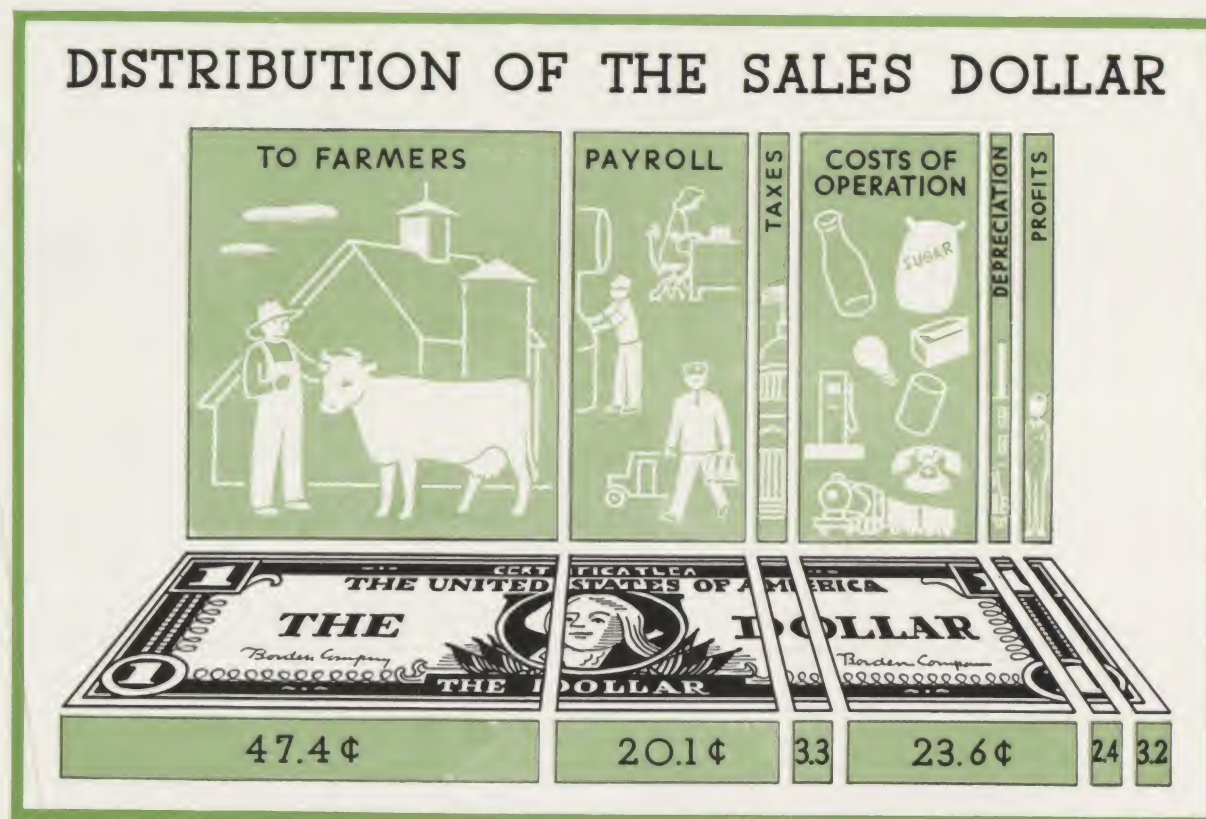
and Provinces, and to federal, state and local governments for taxes.

More than a fifth was paid out over an even wider territory for the purchase of supplies and services, such as containers, fuel, sugar, freight, rent, telephone, advertising, repairs and a host of other items.

About one-fortieth was paid as dividends to stockholders who reside in every State and Province and in a few foreign countries, as a return on their savings invested in the business.

The remainder was set aside to provide for eventual replacement of buildings, machinery and equipment which depreciate due to wear and tear in operations, and for surplus to strengthen the Company's financial condition. (See page 21.)

This, in brief, was the pattern of Borden operations in 1941, a pattern typical of every year.



How We Stood on December 31, 1941

The Balance Sheet at the end of the year is a statement which shows what is Owned and what is Owed, — the difference representing Net Worth. This statement is shown below in a descriptive manner. The values have been divided by the average number of employees (26,903) to show the investment per employee. During the year 1941 due to rising prices and the necessity of carrying larger quantities of raw materials and supplies, as well as greater stocks of finished goods for the added demands of the armed forces and the Lend-Lease program, inventories increased about \$10,800,000. In order to provide the funds to finance this increase, it was necessary for the Company to borrow \$12,000,000, thus leaving cash at about the same figure as last year, which is only sufficient for about one month's average operation.

WE OWNED (<i>Assets</i>)	INVESTMENT PER EMPLOYEE
CASH—In banks and on hand available to pay for milk, payroll, supplies, freight and other services. The funds on hand are only sufficient for about one month's average operation.....	\$ 20,321,433 \$ 755
MARKETABLE SECURITIES—Including substantial amounts of United States and Canadian government bonds some of which are on deposit with various governmental bodies to guarantee compliance with their milk control laws, workmen's compensation acts, etc.....	4,489,075 167
RECEIVABLES—Money to be received by us from customers and others. This represents about 22 days' sales, most of which was collected currently in January.....	18,089,718 672
INVENTORIES—Stocks of finished goods, goods in process, raw materials and supplies in plants and warehouses	28,695,550 1,067
MISCELLANEOUS ASSETS—Consisting principally of mortgages received from sales of properties and loans to farmers to purchase cattle, collection of which will extend beyond the current year and therefore are not included in current receivables above.....	3,209,262 119
PROPERTY, PLANT AND EQUIPMENT—Plants in which our employees work; also machinery, processing and delivery equipment, fixtures, etc., used in our operations; after deducting the allowance for accumulated wear and tear to date (which is the depreciation reserve).....	69,378,011 2,579
PREPAID ITEMS—Including prepaid taxes, rents, etc.	902,581 34
TRADE-MARKS, PATENTS AND GOOD-WILL—For which the Company expended millions in advertising and research. For conservative purposes this is carried at a nominal amount.....	1 —
TOTAL OF WHAT WE OWNED (<i>Assets</i>).....	\$145,085,631 \$5,393

WE OWED (*Liabilities*)

CURRENT LIABILITIES—Including bills for milk, materials, supplies and services purchased, principally in December, but not due for payment until January. This also includes provision for commissions and payrolls for the last part of the month and items on which bills have not been rendered, such as taxes and other miscellaneous expenses, as well as maturities of serial notes due in 1942 in the amount of \$501,000	\$20,902,424
NON-CURRENT LIABILITIES—Represents liabilities not payable within the next twelve months. Notes payable after 1942 in the amount of \$11,499,000 is the principal item herein	11,833,716
TOTAL OF WHAT WE OWED (<i>Liabilities</i>).....	\$ 32,736,140

STOCKHOLDERS' FUNDS AND RESERVES

Represented by:

Amounts which have been retained in Reserves for contingencies that may arise and for other operating purposes	\$11,464,736
Stockholders' investment in the Capital Stock and Capital Surplus of the Company	79,513,930
Stockholders' investment in Earned Surplus—being that part of past earnings retained in the business to strengthen the Company's financial condition..	21,370,825
TOTAL STOCKHOLDERS' FUNDS AND RESERVES.....	\$112,349,491

The Results of 1941 Operations

The Statement of Net Income, sometimes referred to as the Profit and Loss Statement, shows the results for the full year's operations. Page 19 of this report comments on how the Company distributed the money it received in 1941 from sales to customers. In the following tabulation this is shown in relation to each dollar of sales. The figures cover all products and all markets, both domestic and export, and the resultant profit, therefore, is much better than the unsatisfactory return from fluid milk operations alone.

In previous years' reports, the difference in inventories of finished goods at the beginning and end of the year was not substantial. At the end of 1941, however, the large increase in inventory of Finished Goods alone, amounting to \$5,495,860 represents additional goods produced but not sold during that year. Hence for 1941, it was necessary to recognize this and show separately that part of the money paid during the year to Farmers for products and to Employees for services in processing the additional goods remaining in inventory. The net figure, therefore, is representative of the cost of milk and payroll applicable to the goods actually sold during the year 1941.

RECEIPTS:

		CENTS PER DOLLAR OF SALES
SALES—Amount charged our customers for products sold	\$259,128,514	100. ¢
OTHER INCOME—Including interest on marketable securities and after deducting interest paid on notes payable and drivers' deposits, etc.....	464,603	
TOTAL	\$259,593,117	

DISPOSITION:

TO FARMERS—Paid for milk, cream, butter, cheese, etc., a total of \$126,242,621 but approximately \$3,293,000 thereof remained in the increased inventory of Finished Goods at the end of the year.....	\$122,949,621	47.4¢
PAYROLL—Employees were paid in wages and salaries a total of \$52,634,148 but approximately \$315,000 thereof was expended to produce the increased inventory of Finished Goods at the end of the year.....	52,319,148	20.1¢
TAXES—To Federal, State, local and foreign governments..... (This amount for taxes is about 104% of the Net Income for the year)	8,593,518	3.3¢
TOTAL FOR DAIRY PRODUCTS, PAYROLL AND TAXES.....	\$183,862,287	* 70.8¢

*This 70.8¢ is for all combined domestic and export operations including evaporated milk, dry milk, ice cream, etc., as well as fluid milk. In divisions conducting a fluid milk business only, the ratio of these costs to the sales dollar is higher, being about 82.5¢.

COSTS AND EXPENSES OF OPERATIONS—Paid suppliers for bottles, containers, packing materials, coal, oil, gasoline, feed, sugar, tin plate and other materials; and others for services such as freight, rent, light, power, telephone, telegraph, advertising, repairs, and other items, and including provision of \$1,500,000 for wartime contingencies and transition to peacetime economy, after deducting miscellaneous operating income and after absorbing all other cost factors of inventory fluctuations..	61,266,150	23.6¢
DEPRECIATION—This year's proportion of the amount necessary to provide for the eventual replacement of buildings, machinery, vehicles and equipment, due to wear and tear in the Company's operations.....	6,194,108	2.4¢
TOTAL OF ABOVE COSTS AND EXPENSES.....	\$251,322,545	96.8¢
NET INCOME—Balance available for STOCKHOLDERS	\$ 8,270,572	3.2¢

This represents a return on sales of 3.2%. After payment of \$6,148,315 to 48,635 Stockholders, the balance of Net Income was left in the business to strengthen the Company's financial condition.

Hemo — A New Borden Product

"Drink your vitamins and like 'em" is the slogan for Hemo, Borden's latest product. The vitamins are A, B₁, B₂(G) and D, all of them important factors in the diet of adults and children. Essential minerals are in the product, too—calcium, phosphorus and iron. These nutritive elements are added to a wholesome combination of powdered whole milk and malted wheat and barley, chocolate flavored and sweetened.

The formula sounds simple — but Borden research men worked for two years to get just the proper balance of the ingredients. Vitamins are apparently more effective when assembled as a "team" with the right amount of strength in the various "positions." Furthermore, they seem to work better when incorporated in some foods than in others, and they work exceptionally well in milk.

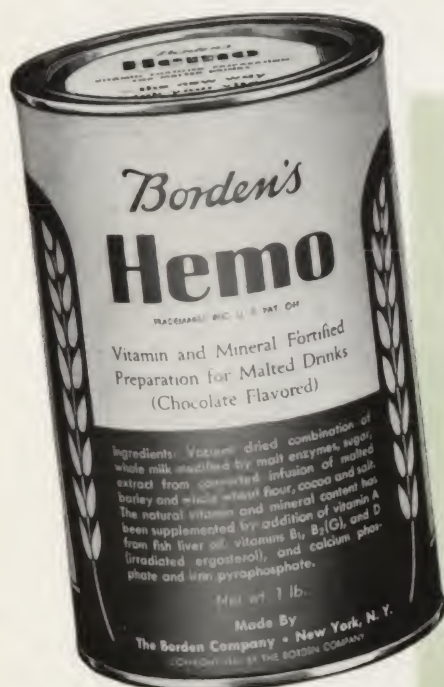
Two servings of Hemo will give the average

individual his normal requirements of these necessary vitamins and minerals for one day. The table illustrated shows nutritional equivalents in terms of familiar foods.

Hemo is packed in one pound cans for use in homes, and in individual envelopes for use at soda fountains, thus insuring the customer a full serving in his drink.

Hemo was tested for consumer acceptance last year in the State of Connecticut. So popular did it become in the test area that the Company later received orders from people in 37 states who had tried the product in Connecticut, and, upon their return home, didn't want to be without it. The grocery and drug trades were as enthusiastic as the consumer.

Following the tested procedure of the experimental campaign, national distribution was started early in 1942, and advertising scheduled in national magazines. It is expected that Hemo will be generally available by the time this report is issued.



Just One Glass of HEMO Gives You:

The Vitamin A



in three boiled eggs!

plus

The Vitamin B₁



in 4 slices of whole wheat bread!

plus

The Vitamin D



in 3 servings of beef liver!

plus

The Vitamin G



in 4 servings of spinach!

plus

The Iron



in ½ pound of beef!

plus

**The Calcium
& Phosphorus**



in 2 servings of cauliflower
and a serving of
cooked green beans combined!

Research and Vitamins

Since its inception, Borden's has regarded control research, which is principally concerned with the maintenance of the uniform quality of its products, as an essential part of its operations. Meeting consumer needs, in fact foreseeing them, is an objective in this work.

Laboratories are also maintained for pure research. Here scientifically-trained men break down milk into its innumerable fractions to determine the part that each may play in nutrition and in the commercial life of the nation.

The establishment of a new laboratory in 1941, which will be devoted solely to the development of new products, further expands the Company's research activities.

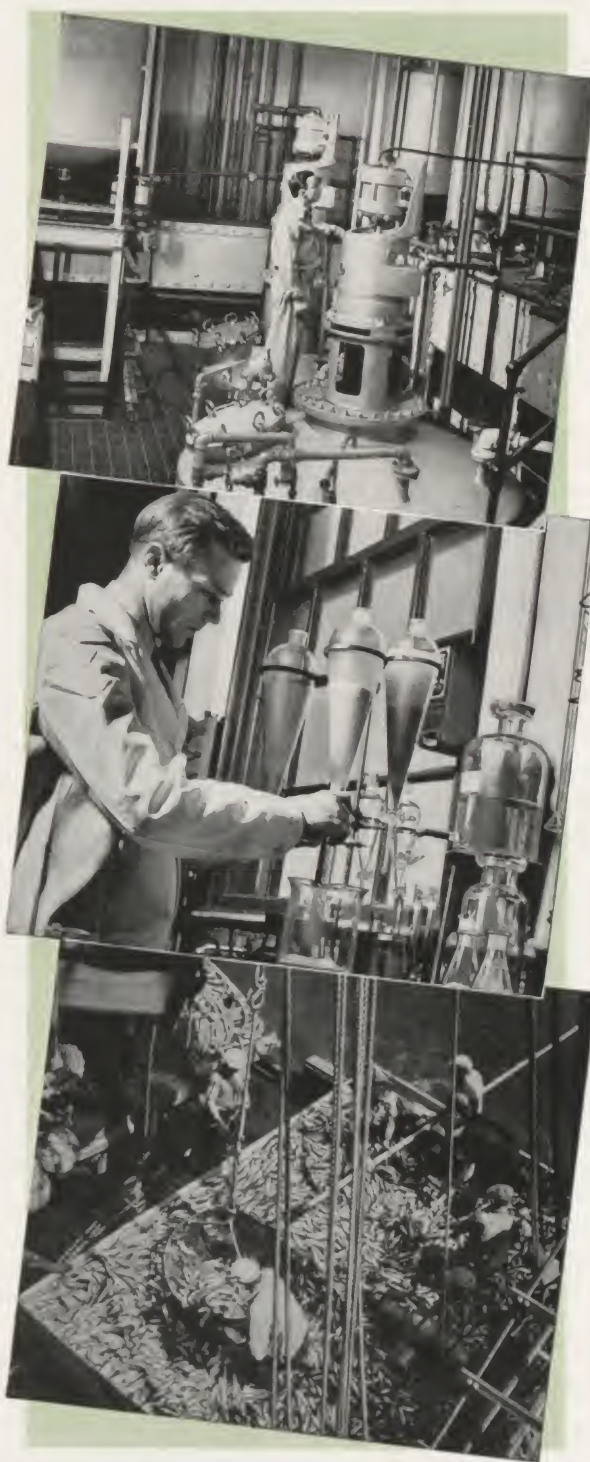
Borden has long been conversant with vitamins. In 1933, the Company was the first to irradiate milk commercially with vitamin D. Later, the riboflavin of milk, one of the vitamins in the B-G complex, was first produced commercially and a method of measurement developed.

This latter research led, in 1936, to the introduction of vitamin-fortified supplements for use in poultry feed. Similar vitamin-fortified products also were developed for inclusion in the rations of calves, hogs, dogs and fur-bearing animals.

Because of the growing demand for vitamin concentrates, the Company in 1941 acquired the world-wide rights to the Funk and Dubin process for the extraction and concentration of vitamins from fish livers and fish oils.

Adequate supplies of these materials were needed. Hence the Company, in 1941, purchased two operations on the Pacific Coast, whose activities include the procurement of fish livers and oils, the canning of fish and the manufacture of fish meal for animal feeding.

Vitamins thus obtained will be used to meet a part of the Company's needs in its own expansion in the vitamin fortification of human and animal foods. Borden itself does not make nor sell vitamin capsules or tablets, but supplies the concentrates for their production, and for the manufacture of vitaminized foods by other companies.



This integration of source of supply and refining processes of the principal vitamins—A, D, and the B-G group—puts the Company in an important position in the vitamin field.

A Report from Elsie the Cow



Dear Stockholders and Employees:

The other day I was asked for a report on all of the things I've done and seen and all the places I've been; and I put it on a map, because certainly no cow in all history has traveled as far as I have.

I thought you'd like to see it, too, so here it is. It adds up to 19,993 miles and covers 27 states with stop-offs at 53 cities.

In 1941 alone I visited 15 cities in the United States and three in Canada, including Toronto where I collected \$20,000 in my "V-Chest" for the British War Victims Fund. I got 18 new keys to cities from their Mayors, making 32 in all, and 3 keys to States from Governors.

All told, over three million people have seen me since I left the World's Fair.

In 1942 I am going to a lot more places to make friends for Borden, and I will do more war work, too. Eventually I hope to cover most of the United States and Canada because every-

where I go people like me, and then they go and buy our products.

Of course, you know that when I say "I" went to these places, I really mean the cows that play my part. There are three of them now: Noblette Cymbeline, Noble Aim Standard and Beulah Norbelia. I can't go myself because the truth is I am not a real cow at all, but an idea — or a character something like Alice in Wonderland or Snow White.

Well, that's all, except that my motto this year is "Millions of Quarts for Defense but not one Drop for Tribute."

Best regards from Elmer and Beulah, yours

Elsie

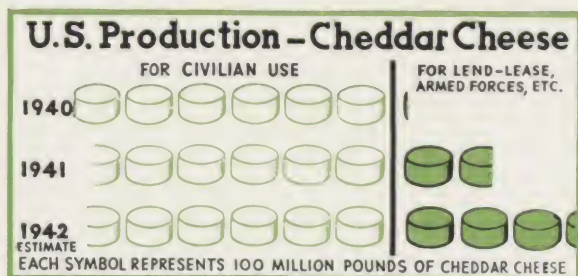
The Borden Cow

P.S.: Of course, I'll be in the magazines and newspapers, too.

The Dairy Industry in This War

The year 1941 brought a challenge to the dairy industry to provide substantial supplies of its products for the lend-lease program and for the rapidly enlarging armed forces, as well as to care for an increasing civilian consumption. This required the largest production of milk on record.

Secretary of Agriculture Wickard in April 1941 called for 250 million pounds of American cheddar cheese and 720 million cans of evaporated milk to help feed the nations resisting aggression. Later 240 million more cans of evaporated milk were called for — a total of nearly a billion. Also 200 million pounds of dry skim milk were scheduled. These huge quantities were to be provided in fifteen months. To make those products would require more than 7 billion pounds of milk.



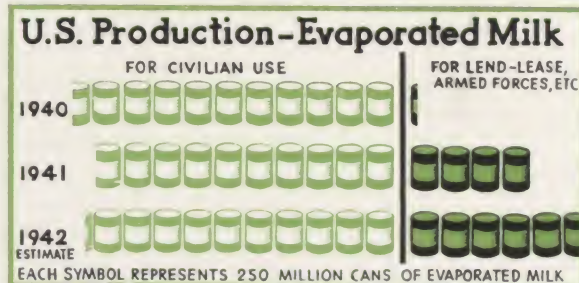
Of course that milk could have been taken away from civilian consumption, but it was not. In fact, civilians increased their uses of dairy products. General business expanded and employment increased. The Government launched its program for a stronger and better fed America. The army added fluid milk and ice cream to its ration which already included other dairy products.

When the year 1941 closed, farmers had produced the milk and the industry had processed it, to provide for the increase of about 5 per cent in the civilian use of fluid milk and 14 per cent of ice cream. There was a gain of 3.5 per cent in the production of butter.

In addition to the civilian increased uses, the Government in nine of the fifteen months had purchased for lend-lease 168 million pounds of American cheddar cheese, 12 per cent ahead of schedule, and 845 million cans of evaporated

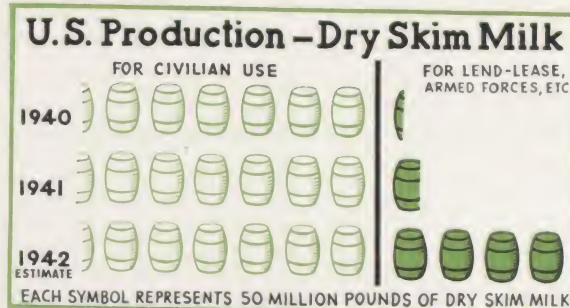
milk, 47 per cent ahead of schedule. As to dry skim milk, only about one-fifth of the program had been achieved — the problems of supply and equipment have not been solved.

The farmers achieved a national production of about 117 billion pounds of milk in 1941, 6 billion more than in 1940.



The Government has issued a greater challenge for 1942. It calls for farmers to produce 125 billion pounds of milk, an increase of 8 billion. Out of the total should be made 900 million pounds of American cheddar cheese, 24 per cent more than in 1941; about 4 billion cans of evaporated milk, a gain of 13 per cent; 525 million pounds of dry skim milk, excluding that used for animal feeding, a 43 per cent increase; and enough fluid milk and other dairy products to improve still further the nutrition of the nation.

Borden has played an important part in this tremendous program and has provided its share of the Government purchases. However great the demands in 1942, the Company will furnish its portion of the supply for lend-lease and the armed forces, and endeavor to meet its customers' needs as heretofore, its service to them being subject only to the requirements of the Government.



Principal Borden Products . .

UNITED STATES MANUFACTURED PRODUCTS

Except where otherwise indicated, products listed are sold generally throughout the country.

CONDENSED MILK

Eagle Brand.
Sold sectionally in various parts of the country: Challenge, Darling,
Dime, Leader, Magnolia, Rose, Standard and Star Brands.

EVAPORATED MILK

Borden's Silver Cow.
Sold in the Eastern, Central and Southern States.
Borden's, Maricopa and St. Charles Brands.
Sold in the Western States.

MALTED MILK

Borden's (Plain and Chocolate Flavored).
Thompson's (Plain and Chocolate Flavored).

VITAMIN FORTIFIED FOOD DRINKS

Hemo.
Instant Mix—for making Hot Chocolate. *Except in 11 Western States.*

CHEESE

Liederkrantz Cheese; Military Brand Camembert and Brie.
Bulk Natural Cheese (all varieties); Marty and Victory Brands Swiss;
Pippin Brand American; Dutch Maid, Castle and Eagle Brands
Limburger.
Sold sectionally in various parts of the country: Chateau; Borden's and
Lakeshire Brands Process Cheese (full assortment); Borden's Eagle
and Baumert Brands Cream Cheese; Borden's Cocktail Cheese Spreads
(full assortment); Borden's Grated Cheese (American and Italian
Styles); Borden's Process Limburger; Blufort Brand Blue Cheese.

CONFECTIONERY

Borden's Tip Top and Royal Crest Caramels.
Borden's Crisps.

MINCE MEAT

None Such, Old Time, 1776, Colonial and Yo Ho.

PRESCRIPTION PRODUCTS

Biolac, Dryco, Mull-Soy, Beta Lactose, Klim, Powdered Whole Lactic
Acid Milk, Powdered Protein Milk, Powdered Skimmed Lactic Acid
Milk and Powdered Skimmed Milk.

MILK SUGAR

Bulk Milk Sugar and Beta Lactose.

POWDERED MILK

Klim.
In bulk only: Breadlac, Starlac and Certora Brands Skimmed Milk, and
Parlac Brand Whole Milk.

POWDERED FRUIT JUICES

In bulk only: Powdered Orange and Lemon Juice.

POULTRY AND ANIMAL FEED SUPPLEMENTS

Flaydry, Flaydry "D", Ration-Ayd, Dog Food Supplement, Furpro,
Hopro, Cavpro and Fish Meal.

ICE CREAM, DAIRY AND BAKERY PRODUCTS

Chocolate Syrups, Flavoring Extracts.
Golden Whip, Egg Powders, Chocolate Flavored Powder for Dairy
Drinks.
Cheese Flavoring Powder, Cheese Coating for Popcorn.

VITAMIN PRODUCTS

Natural A and D Concentrates, Rice Polish Concentrates.
B Complex Syrups, Vitamin Oils in bulk.

CANNED FISH

Sardines, Herring and Mackerel.

CASEIN AND ADHESIVES

Casco Powdered Casein Glue, Casco Flexible Cement, Casco Wall Size,
Casemite Resin Glue and Bulk Casein.

FLUID MILK

Cities where principal Fluid Milk Plants are located and Brands under which the milk is sold.

ARIZONA		LOUISIANA		OHIO—(Con't.)	
Phoenix	Borden's Maricopa	Lake Charles	Borden's	Mansfield	Levering's
CALIFORNIA		MICHIGAN		Marion	Moore's & Ross
Burlingame	Borden's	Detroit Metropolitan District	Borden's	Middletown	Borden's Beck Dairy
Fresno	Borden's	Grand Rapids	Borden's Hockstra	Newark	Borden's
Modesto	Borden's	MISSOURI		Portsmouth	Borden's
Oakland	Borden's	NEW JERSEY		Springfield	Borden's
Sacramento	Borden's	Kansas City	Borden's	Xenia	Borden's
San Francisco Metropolitan District	Borden's	NEW YORK		Zanesville	Moore's & Ross
CONNECTICUT		NEW JERSEY		OKLAHOMA	
Bridgeport	Mitchell and Walker-Gordon	Newark and Northern New Jersey—		Oklahoma City	Borden's
Danbury	Mitchell and Walker-Gordon	Borden's and Walker-Gordon		TEXAS	
Meriden	Mitchell and Walker-Gordon	Trenton	Castanea and Walker-Gordon	Amarillo	Borden's
Middletown	Mitchell and Walker-Gordon	NEW YORK		Corpus Christi	Borden's
New Haven	Mitchell and Walker-Gordon	Albany	Borden's	Dallas	Borden's
Norwalk	Borden's, Walker-Gordon and Mitchell	Glens Falls	Borden's Adirondack	El Paso	Borden's
Stamford	Borden's	New York Metropolitan District including		Houston	Borden's
ILLINOIS		Westchester County and Long Island—		Lubbock	Borden's
Chicago Metropolitan District	Borden-Wieland	Borden's, Walker-Gordon and Willow Brook		San Antonio	Borden's
INDIANA		OHIO		WEST VIRGINIA	
Hammond—Gary District	Borden-Wieland	Akron	Averill and Borden's-Peoples	Huntington	Kennedy Dairy
Lafayette	Furnas	Columbus	Hamilton and Moore's & Ross	WISCONSIN	
Terre Haute	Borden's	Dayton	Borden's Finch Farms	Madison	Kennedy-Mansfield
Indianapolis	Capitol Dairies			Milwaukee	Gridley
				Racine	Borden's

.. And Where They Are Sold

ICE CREAM

Cities where principal Borden Ice Cream Branches are located and Brands under which the ice cream is sold.

ARKANSAS		MARYLAND		OHIO—(Con't.)	
Texarkana	Borden's	Baltimore	Borden's and Hendler	Chillicothe	Borden's
CALIFORNIA		MASSACHUSETTS		Columbus	Furnas and Moores & Ross
Fresno	Borden's	Boston Met. District	Borden's and White House	Dayton	Borden's and Red Wing
Modesto	Borden's	North Adams	Borden's	Marion	Borden's
Oakland	Borden's	MICHIGAN		Mansfield	Borden's
Sacramento	Borden's	Detroit Metropolitan District	Borden's	Newark	Borden's
San Francisco Metropolitan District	Borden's	Grand Rapids	Borden's Hoekstra	Portsmouth	Borden's
CONNECTICUT		Jackson	Borden's	Springfield	Borden's
Bridgeport	Huber's, Mitchell's and MelOrol	Kalamazoo	Borden's	Youngstown	Borden's
Hartford	Borden's	Lansing	Borden's	Zanesville	Moores & Ross
Stamford	Borden's and Huber's	Saginaw	Borden's	OKLAHOMA	
DELAWARE		MISSOURI		Oklahoma City	Borden's
Wilmington	Sharpless	Kansas City	Borden's	PENNSYLVANIA	
ILLINOIS		St. Louis	Borden's	Allentown	Sharpless
Aurora	Borden's	NEW JERSEY		Harrisburg	Borden's
Chicago	Borden's	Asbury Park	Borden's, Reid's and Horton's	Philadelphia	Sharpless
Elgin	D. & W.	Atlantic City	Sharpless	York	Borden's
Joliet	Borden's	Paterson (Northern New Jersey)—		TEXAS	
Rockford	D. & W.	Trenton	Borden's, Reid's, Horton's and MelOrol Sharpless	Amarillo	Borden's
INDIANA		NEW MEXICO		Beaumont	Rettig's
Fort Wayne	Furnas	Clovis	Borden's	Corpus Christi	Borden's
Indianapolis	Furnas and Velvet	Las Cruces	Borden's	Dallas	Borden's
Kokomo	Furnas	NEW YORK		El Paso	Borden's
Richmond	Borden's and Red Wing	Albany	Hosler and Helderberg	Houston	Rettig's
Shelbyville	Furnas and Velvet	Glens Falls	Borden's and Hall's	Lubbock	Borden's
South Bend	Furnas	Kingston	Borden's and Horton's	San Antonio	Borden's
Terre Haute	Borden's	Middletown	Borden's, Reid's and Horton's	VERMONT	
IOWA		New York Metropolitan District including Westchester County and Long Island—	Borden's, Reid's, Horton's, Ricciardi, Carpenter, LaRue and MelOrol	Burlington	Borden's
Cedar Rapids	Hutchinson	Ogdensburg	Borden's	Woodstock	Borden's
Davenport	Hutchinson	Poughkeepsie	Schrauth's	WEST VIRGINIA	
Fort Dodge	Hutchinson	Rochester	Borden's and Teall	Charleston	Kennedy Dairy
Mason City	Hutchinson	Troy	Borden's and Hosler	Huntington	Kennedy Dairy
Waterloo	Hutchinson	Utica	Borden's and Rob Roy	Kenova	Borden's
KANSAS		OHIO		Wheeling	Borden's
Leavenworth	Borden's	Akron	Borden's	WISCONSIN	
Topeka	Borden's	Canton	Borden's	Fond du Lac	Sessions
LOUISIANA				Madison	Kennedy
Baton Rouge	Borden's			Milwaukee	Gridley
Lake Charles	Borden's			Racine	Borden's Purity

CANADA MANUFACTURED PRODUCTS

CONDENSED MILK

Eagle Brand, Reindeer Brand and Purity Brand.

EVAPORATED MILK

Borden's St. Charles and Borden's Silver Cow.

POWDERED MILK AND CREAM

Klim, Trucream, Trumilk, Drimilk, Milkstock, C.M.P., Bread-lac and Starlac.

PRESCRIPTION PRODUCTS

Dryco, Klim, C.M.P. Powdered Lactic Acid Milk and C.M.P. Powdered Protein Milk.

MALTED MILK

Borden's Malted Milk (Plain and Chocolate Flavored).

CONDENSED COFFEE

Borden's Reindeer Brand.

CARAMELS

Borden's.

POWDERED FRUIT JUICE

Borden's and C.M.P.

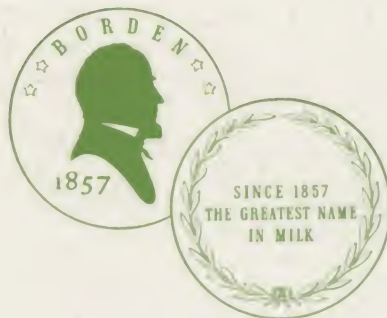
CHEESE

Chateau, Baumert's Cream Cheese, Old Vintage and Canabec.

FLUID MILK

Cities in which Borden Branches are located and Brands under which the products are sold.

ONTARIO		ONTARIO	
Hamilton	Borden's	Belleville	Borden's and MelOrol
Niagara Falls	Borden's	Chatham	Borden's and MelOrol
Ottawa	Ottawa Dairy	Cornwall	Borden's and MelOrol
Toronto	Borden's and Caulfield	Hamilton	Borden's and MelOrol
Windsor	Borden's	Kingston	Borden's and MelOrol
QUEBEC		QUEBEC	
Montreal	Borden's and Joubert	Montreal	Joubert and Borden's MelOrol



“If It’s Borden’s—It’s Got To Be Good!”